

Message Text

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DRAFTED BY XMB:AMOHANIAN

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TO AMEMBASSY LONDON

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E.O. 11652: N/A

TAGS: APUB, UK

SUBJECT: PRESS RELEASE ON EXIMBANK LOAN TO UNITED KINGDOM

FOLLOWING IS FINAL TEXT OF EXPORT-IMPORT BANK RELEASE ON THE DIRECT LOAN OF DOLS 4,974,390 TO VIKING JERSEY EQUIPMENT, LTD. RELEASE IS SCHEDULED FOR ANNOUNCEMENT HERE IN WASHINGTON, D.C. FOR A.M. PAPERS, TUESDAY, OCTOBER 2, 1973.

QUOTE: EXIMBANK HELPS FINANCE OVER \$11 MILLION SALE OF U.S. EQUIPMENT FOR BORROWER IN UNITED KINGDOM

TO HELP FINANCE AN \$11,054,200 SALE OF U.S. EQUIPMENT FOR A PIPELAYING BARGE FOR A BORROWER IN THE UNITED KINGDOM, THE BOARD OF DIRECTORS OF THE EXPORT-IMPORT BANK OF THE UNITED STATES HAS AUTHORIZED A DIRECT LOAN OF \$4,974,390 TO FINANCE 45 PERCENT OF THE U.S. COSTS AND A FINANCIAL GUARANTEE OF UNCLASSIFIED

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A LOAN OF \$4,974,390 FROM MORGAN GURANTY TRUST COMPANY OF

NEW YORK, TO FINANCE ANOTHER 45 PERCENT OF THE U.S. COSTS, ACCORDING TO EXIMBANK'S CHAIRMAN HENRY KEARNS. THE BORROWER, VIKING JERSEY EQUIPMENT, LTD., A NEWLY-FORMED UNITED KINGDOM COMPANY DOMICILED IN ROTTERDAM, HOLLAND, WILL MAKE A CASH PAYMENT OF 10 PERCENT OF THE TOTAL COSTS OR \$1,105,420.

THE BORROWER IS HAVING THE PIPELAYING BARGE BUILT IN THE NETHERLANDS AT A TOTAL COST OF SOME \$60 MILLION. EQUIPMENT TO BE PROCURED IN THE U.S. CONSISTS MAINLY OF THAT TO BE USED IN WELDING THE PIPE ON BOARD THE BARGE AND HANDLING EQUIPMENT SUCH AS CRANES AND WINCHES. THE BARGE WILL BE CHARTERED TO VIKING PIPELINE CONSTRUCTION S.A., A PANAMANIAN SISTER COMPANY TO THE BORROWER AND WILL BE USED IN THE NORTH SEA TO LAY PIPE IN DEEP WATERS.

THE LOANS ARE TO BE REPAID IN 14 SEMIANNUAL INSTALLMENTS BEGINNING NO LATER THAN MAY 5, 1975, WITH INTEREST ON EXIMBANK'S DIRECT LOAN OF \$4,974,390 TO BE CHARGED AT AN ANNUAL RATE OF 6 PERCENT ON OUTSTANDING BALANCES. UNQUOTE RUSH

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